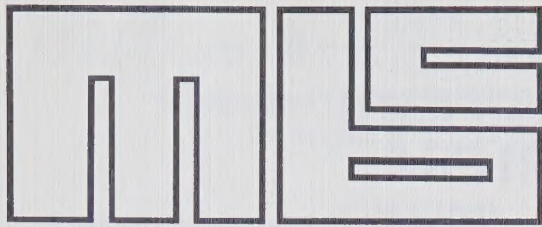
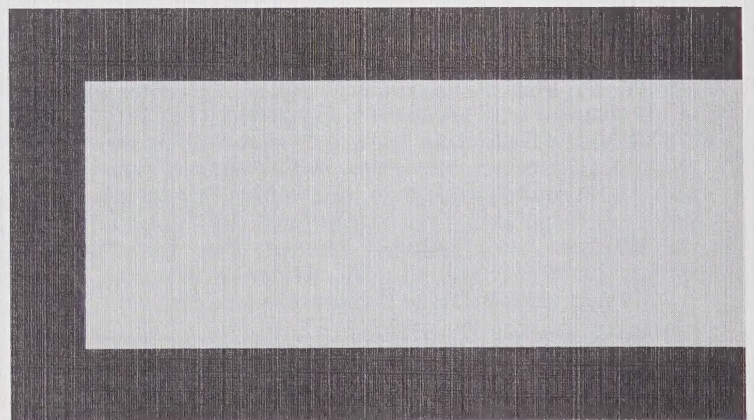
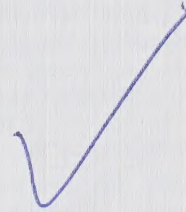
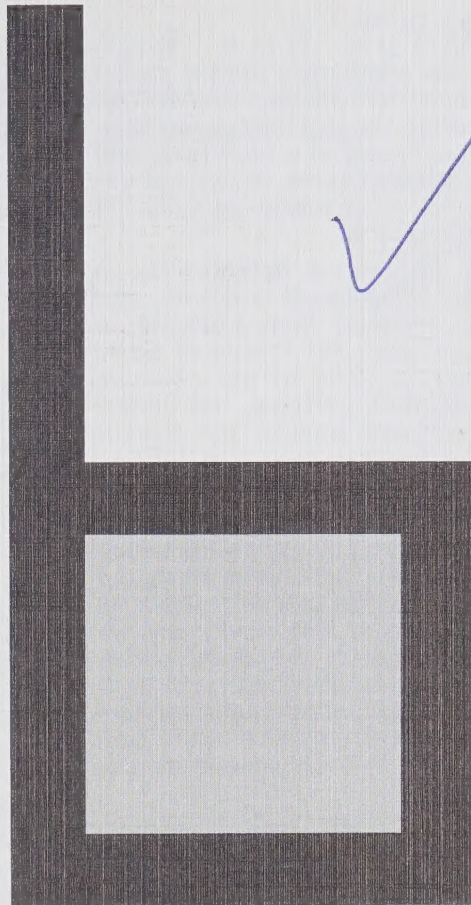
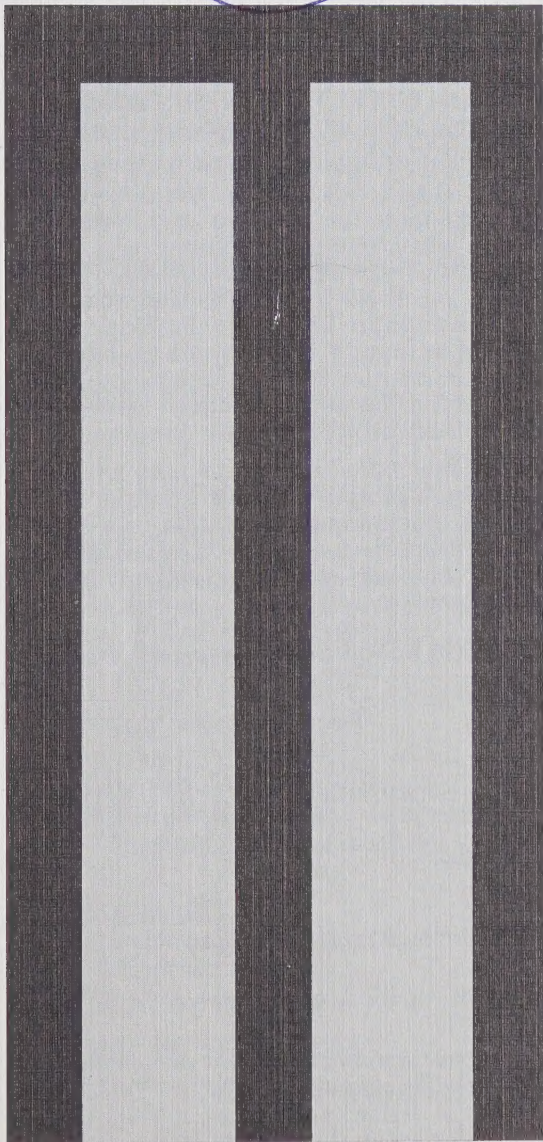


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**MILTON
BRICK
CO. LIMITED**



**32ND. ANNUAL
REPORT 1969**

TO OUR SHAREHOLDERS:

In presenting the company's annual report for 1969, may I point that despite general restraints on construction during 1969, your company's operations continued at a high level and showed a 14% increase in sales, and a not unimpressive 41% increase in profits to \$299,954 or 52.5¢ per common share.

However, with the general deterioration in the North American investment markets, our investment income declined from \$184,654 to \$17,361, resulting in Total Net Profits of 55.4¢ per share compared to 69.6¢ in the previous year — a disappointment, perhaps, but understandable when measured against the market indices.

While the growth potential for your company remains promising, I should note that the branch of the construction industry with which we trade, leans heavily on credit. With mortgage money at a premium, this has placed a strain on our marketing areas which historically are always the first to experience monetary curbs. Conversely, construction is also the first to benefit from credit easements. With demand for new construction growing constantly, the future outlook for your company is even now most encouraging.

As indicated by the report, your company is in a very healthy financial condition with working capital of \$1,472,725 and retained earnings of \$1.4 million. Both figures attest to the consistent growth which has been a company pattern since present management assumed control.

It has been the policy of your Board of Directors to increase dividends consistent with profits, so that shareholders would participate in the company's prosperity. Between 1963 and 1969 dividend payouts have advanced 17% per year compounded. However, the Directors have also recognized that it is desirable to plough back earnings into new equipment and special maintenance, not only to sustain the growth pattern of the company; but, where warranted, to improve efficiency and expanded capacity.

Accordingly, your Directors have declared a semi-annual dividend #52 of 10¢ per share compared to 15½¢ paid in the first two quarters last year.

Production for the first quarter 1970 was impaired by abnormally cold and sustained winter conditions coupled with a labour strike

MILTON BRICK CO. LIMITED

involving International Union of District 50, U.M.W.A. Local 14830.

The first three months, a traditionally slow period largely dependent on winter conditions, showed a loss of \$15,100 or 2.6¢ per share. However, advantage was taken of this strike period to implement an accelerated improvement program. The Milton Plant has now resumed production, with substantially increased capacity.

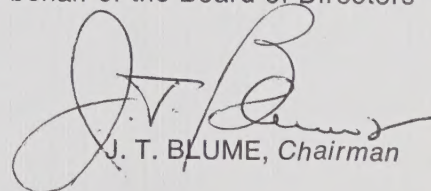
Flemdon Limited, in which your company's subsidiary, Transmil Properties, holds 36.6% interest, had a profitable year, benefiting from sale of securities and short-term loans to the industrial sector. Following the sale of its interests in Central Park Estates, Flemdon Limited has almost \$2.2 million available in working capital. During 1969 Transmil Properties received non-taxable dividends from Flemdon, amounting to \$54,472.

Looking ahead, it is my firm and considered belief that demand for housing and industrial construction will continue to expand and, even now, given a favourable money climate, the industry would be thriving. The need is there; but acceptable mortgage funds are lacking. However, this cycle should be only temporary and since Milton Brick now has the facilities to meet greater potential demand, hence I anticipate further sustained growth in your company.

I am equally hopeful the company will continue to enjoy the support and confidence of shareholders, customers, architects, specification writers, chartered quantity surveyors, suppliers, loyal employees and members of the business community.

On behalf of the Board of Directors

June 3, 1970.



J. T. BLUME, Chairman

DIRECTORS

A. Bram Appel
J. T. Blume
A. J. B. Gray
Lionel J. McGowan
P. K. McWilliams, Q.C.
J. T. Norris
Samuel P. Smith

Listing — Toronto Stock Exchange

Transfer Agent — Canada Permanent Trust Co.

Bankers — Canadian Imperial Bank of Commerce
Toronto Dominion Bank

Auditors — McDonald, Currie & Co.

Milton Brick Co. Limited and Subsidiaries

CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS for the year ended December 31, 1969 with comparative figures for 1968

	1969	1968
Operating profit before depreciation	\$ 433,285	\$ 363,400
Less: Depreciation	23,887	24,299
Earnings from operations	409,398	339,101
Other income:		
Interest and dividends	79,746	12,471
Royalties — net	69,600	69,731
Miscellaneous	3,853	2,875
Loss on disposal of assets	(4,007)	(181)
	149,192	84,896
Extraordinary income (gain on sale of securities)	17,361	184,654
	166,553	269,550
Earnings before income taxes	575,951	608,651
Provision for income taxes:		
Current	245,396	197,341
Deferred	13,240	12,950
	258,636	210,291
Net earning for the year	\$ 317,315	\$ 398,360
Earning per share including extraordinary income	55.4	69.6
Earning per share not including extraordinary income	52.5	37.3

	1969	1968
Retained earnings, beginning of year	\$1,280,293	\$1,031,531
Net earnings for the year	317,315	398,360
	1,597,608	1,429,891
Dividends — common shares	180,702	149,598
Retained earnings, end of year	1,416,906	1,280,293

CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS

	1969	1968
Source of funds:		
Net earnings for the year	\$ 317,315	\$ 398,360
Charges not requiring cash outlay		
Deferred income taxes	13,240	12,950
Depreciation	23,887	24,299
	354,442	435,609
Loss on sale of assets	4,007	181
	358,449	435,790
Refund of 5% refundable tax	5,863	1,176
Proceeds from sale of equipment	17,537	600
Proceeds from sale of shares	—	102,500
	381,849	540,066
Use of funds:		
Purchase of fixed assets	47,326	67,608
Dividends paid	180,702	149,598
	228,028	217,206
Increase in working capital	153,821	322,860
Working capital — beginning of year	1,318,904	996,044
Increase in working capital	153,821	322,860
Working capital — end of year	\$1,472,725	\$1,318,904



Milton Brick Co. Limited

GLOBAL MARBLE OF CANADA LTD. — TRANSMIL PRO

Consolidated Balance Sheet as at December

ASSETS

Current assets:	1969	1968
Cash and short term deposits	\$ 165,693	\$ 341,068
Marketable securities — at cost: (quoted value: 1969, \$1,016,765 — 1968, \$866,920)	870,180	670,791
Accounts receivable	313,191	208,874
Inventories — at lower of cost or net realizable value	236,678	221,847
Prepaid expenses	100	1,326
Total current assets	1,585,842	1,443,906
5% special refundable tax	1,955	7,818
Investments:		
Investment in subsidiary company not consolidated (note 1)		
Shares — at cost	7,800	7,800
Advances	5,682	5,682
	13,482	13,482
7% mortgage receivable — due September 30, 1972	101,399	101,399
Total investments	114,881	114,881
Fixed assets — at cost less accumulated depreciation (note 2)	598,444	596,549
Other assets:		
P.C.V. Licences — at cost less amounts written off	30,212	30,212
	\$2,331,334	\$2,193,366

Signed on behalf of the Board:

J. T. BLUME, Director.

L. J. McGOWAN, Director.

AUDITORS' REPORT

We have examined the consolidated balance sheet of Milton Brick Co. Limited and its earnings and source and use of funds for the year then ended. Our examination included supporting evidence as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the consolidated results of their operations and the source and use of their funds for the year then ended, in accordance with the accounting principles generally accepted in Canada for the preceding year.

Hamilton, Ontario,
April 24, 1970

ed and Subsidiaries

RTIES CORP., LTD. — REGAL TRANSPORT LIMITED

31, 1969, with comparative figures for 1968



LIABILITIES

Current liabilities:

	1969	1968
Accounts payable and accrued expenses	\$ 55,145	\$ 63,353
Income taxes payable	57,972	61,649
	<u>113,117</u>	<u>125,002</u>
Deferred income taxes	26,190	12,950

SHAREHOLDERS EQUITY

Capital stock:

Authorized		
1,000,000 Common shares of no par value		
Issued and fully paid		
572,200 Common shares	775,121	775,121

Retained earnings	1,416,906	1,280,293
Total shareholders equity	2,192,027	2,055,414

Notes:

1. Principles of consolidation

The consolidated financial statements include the accounts of all subsidiary companies with the exception of one. This subsidiary has not commenced operations, and consequently its accounts have not been consolidated nor has any income been included, nor provision for losses made in the accounts of the parent company.

2. Fixed assets

Land, buildings, machinery and equipment and related accumulated depreciation and depletion are classified as follows:

	Cost	Accumulated Depreciation and Depletion	Net
Land	\$ 139,432	\$ 125,071	\$ 14,361
Buildings	1,044,176	781,629	262,547
Machinery and equipment	698,951	402,896	296,055
Trucks and tractors	100,798	75,317	25,481
	<u>\$1,983,357</u>	<u>\$1,384,913</u>	<u>\$ 598,444</u>

3. Remuneration

Remuneration paid to directors amounted to \$650 in 1969 and \$764 in 1968.

4. Sales

The Supreme Court of Ontario, on October 2nd, 1968, authorized the omission of sales and gross revenue derived from operations, from the financial statements of Milton Brick Co. Limited and subsidiary companies, to be laid before the annual meeting of shareholders. The gross sales increased by 13.6% over the previous year and by 32.5% over the average of the previous six years.

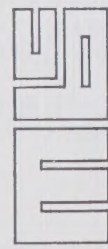
<u>\$2,331,334</u>	<u>\$2,193,366</u>
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THE SHAREHOLDERS

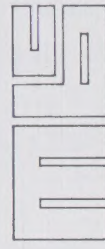
Subsidiaries as at December 31, 1969 and the consolidated statements of earnings, retained general review of the accounting procedures and such tests of accounting records and other

financial position of the companies as at December 31, 1969 and the consolidated results with generally accepted accounting principles applied on a basis consistent with that of the

McDONALD, CURRIE & CO.,
Chartered Accountants.



Milton Brick Co. Limited and Subsidiaries



GROWTH PATTERN FOR SEVEN YEARS

	1969	1968	1967	1966	1965	1964	1963
Total current assets	\$1,585,842	\$1,443,906	\$1,143,866	\$1,053,440	\$ 999,912	\$ 840,166	\$1,420,661
Total current liabilities	113,117	125,002	147,822	123,358	147,471	187,606	681,339
Net working capital	1,472,725	1,318,904	996,044	930,082	852,441	652,560	739,322
Ratio of current assets to current liabilities	14.02	11.5	7.74	8.54	6.78	4.48	2.09
Profit before income taxes	575,951	608,651	509,316	387,297	319,981	277,267	114,581
Income taxes — Current	245,396	197,341	165,965	170,666	134,500	105,838	28,100
— Deferred	13,240	12,950	12,300	17,600	12,100	16,000	—
Total	258,636	210,291	178,265	188,266	146,600	121,838	28,100
Net profit	317,315	398,360	331,051	199,031	173,381	155,429	86,481
Earnings per share	55.4	69.6	57.9	34.8	30.3	27.2	15.1
Dividends per share31½	.27	.25¼	.24¼	.20	.20	.12½
Earnings transferred to retained earnings	136,613	248,762	205,211	83,964	130,773	62,013	(37,269)

Note: To provide for comparability with the tax allocation method of accounting adopted by the Company in 1968, income taxes and net profits have been adjusted to indicate both current and deferred income taxes in each of the years 1967, 1966, 1965 and 1964; earnings per share are calculated in all years on the basis of 572,200 common shares outstanding as at December 31, 1969.

Many people in the business community have expressed an interest in knowing more about our company.

In response, we submit a copy of our annual report which we hope may be of interest to you.

We will be pleased to supply you with additional copies on request.

OFFICES AND PLANTS: TORONTO AND MILTON, ONTARIO, CANADA

TO OUR SHAREHOLDERS:

It is most gratifying to report the continuous upward trend again achieved by your Company in the first six months of 1969, as clearly indicated in the accompanying statements of Earnings and Source and Application of Funds.

The Net Earnings for the six-month period ended **June 30th, 1969 AFTER** provision for Current and Deferred Income Taxes: **\$161,690** or **28¢** per share on 572,200 shares outstanding — as compared with net earnings for the six-month period ended June 30th, 1968 AFTER provision for current income taxes (no provision for deferred income taxes having been made for that period) of \$127,302 or 23¢ per share on 547,080 shares outstanding.

MARKETABLE SECURITIES INVESTMENT PORTFOLIO — June 30th, 1969

COST: \$ **754,415**
QUOTED MARKET VALUE: **\$1,084,860**

DIVIDEND NOTICE

The Board of Directors of MILTON BRICK CO. LIMITED declared a quarterly dividend (#50) of **8¢ per share** payable on September 2nd, 1969 to shareholders of record at the close of the business day August 22nd, 1969. (The annual Dividend Rate is currently **32¢ per share**).

Your management is indeed pleased with this showing for the first half of 1969, especially in view of the widespread strike situation that was prevalent in the commercial and industrial construction industry.

With virtually all of these construction strikes settled, coupled with the fact that traditionally the second half of the year is the most profitable, we are most optimistic that total earnings for 1969 will unquestionably reach an all-time high.

Management will continue to keep shareholders informed of significant developments — and we wish to thank our shareholders, employees, customers, suppliers, and the business community for their continued support and interest in the progress of the Company.

J. T. BLUME

President & Chairman of the Board

August 25, 1969



GLOBE & MAIL
140 King Street West
TORONTO, ONTARIO
ATT: FINANCIAL EDITOR

INTERIM REPORT

For the six months
January-June 1969



MILTON BRICK CO. LIMITED

Offices and Plants:

MILTON, ONTARIO

MILTON BRICK CO. LIMITED has paid dividends CONSECUTIVELY SINCE 1950 on a gradually rising basis.

MILTON BRICK CO. LIMITED & SUBSIDIARIES

Unaudited

CONSOLIDATED STATEMENT OF EARNINGS

for the six months ended June 30th, 1969

with comparison figures for the six months ended June 30th, 1968



AR12

	June 30, 1969	June 30, 1968
Operating Profit Before Depreciation	\$ 218,762	\$ 157,391
Depreciation	11,838	12,150
Earnings From Operations	\$ 206,924	\$ 145,241
Other Income:		
Interest and Dividends	8,956	14,101
Royalties — Net	34,800	25,644
Gain on Sale of Investments	18,801	21,884
Miscellaneous	1,823	3,519
	64,380	65,148
Net Earnings before Income Tax	\$ 271,304	\$ 210,389
Provision for Income Taxes		
Current	104,219	83,087
Deferred	5,395	—
	109,614	83,087
NET EARNINGS FOR THE PERIOD	\$ 161,690	\$ 127,302
NET EARNINGS PER COMMON SHARE	28¢	23¢

(June 30, 1969 572,200 shares outstanding — June 30, 1968 547,080 shares outstanding)

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the six months ended June 30th, 1969

with comparison figures for the six months ended June 30th, 1968

SOURCE OF FUNDS	June 30, 1969	June 30, 1968
From Operations:		
Net Earnings	\$ 161,690	\$ 127,302
Non Cash Charges to Income		
Depreciation	11,838	12,150
Deferred Income Taxes	5,395	—
5% Special Refundable	—	390
	\$ 178,923	\$ 139,842
APPLICATION OF FUNDS:		
Additions to Fixed Assets, Net of Disposals	\$ 24,129	\$ 48,678
Dividends paid	89,150	71,122
	113,279	119,800
Increase in Working Capital	65,644	20,042
Working Capital — Beginning of Period	\$1,318,904	\$ 996,044
Working Capital — End of Period	\$1,384,548	\$1,016,086

NOTE: The above figures are subject to audit and year-end adjustments.

This Interim Unaudited Consolidated Financial Summary includes the accounts of
GLOBAL MARBLE OF CANADA LTD. — TRANSMIL PROPERTIES CORP. LTD.
— REGAL TRANSPORT LIMITED.